



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Donna M. Anderson, Treasurer
National Republican Congressional Committee -
Expenditures
320 First Street
Washington, DC 20003

JUN 18 2003

Identification Number: C00075820

Reference: 30 Day Post-General Report (10/17/02-11/25/02)

Dear Ms. Anderson:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The beginning cash balance of this report should equal the ending balance of your Amended 12 Day Pre-General Report received 1/30/03. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-Your calculations for Line 8 appear to be incorrect. Cash-on-hand at the close of the current reporting period should always equal the closing calendar year-to-date cash-on-hand amount. Please provide the corrected total on the Summary Page.

-The totals listed on Lines 7, 21(a)(i), 21(a)(ii), 21(b), 21(c), 22, 23, 24, 25, 28(a), 28(c), 28(d), 29, 30 and 31, Column B of the Summary and Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Schedule A supporting Line 15 of your report discloses a payment(s) from a federal candidate committee(s) for goods and/or services provided by your committee. 11 CFR §100.7(a)(1)(iii)(A) states that "...the provision of

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any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.7(a)(1)(iii)(B)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by your committee to the federal candidate committee(s) and is subject to the limits set forth at 2 U.S.C. §441a. (11 CFR §100.7(a)(1)(iii)(A))

-Your report discloses a \$3,500,000 loan on Schedule A from First Union National Bank, which has not been recorded on Schedule C. Loans and loan repayments received must be reflected on Schedule C as well as on Schedule A. Please amend your report to clarify this discrepancy. 2 U.S.C. §434(b)(3)(E) and (5)(D)

-Your report discloses a loan from a lending institution; however, you have not submitted a Schedule C-1 (copy attached) and a copy of the loan agreement. As an electronic filer, you must submit the Schedule C-1 electronically without the original signature from the lending institution. In addition, you must mail a copy of the loan agreement and a separate copy of the Schedule C-1 that contains the original signature from the lending institution. Please submit the missing documents. (11 CFR §§104.3(d)(2) and 104.18(h))

-Please clarify all expenditures made for "production" on Schedule(s) H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

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-Schedule H2 indicates the allocation ratio for "313-325-333" was revised during the reporting period. Please provide the date of the fundraising program or event. In the case of a telemarketing or direct mail campaign, the "date" is the last day of the telemarketing campaign, or the day on which the final direct mail solicitations are mailed. 11 CFR §106.5(f)(2) In the event that an excessive non-federal transfer was received, the excessive amount should be transferred back to your non-federal account.

A response or amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

Andrea Needles

Andrea Needles
Senior Campaign Finance Analyst
Reports Analysis Division

SCHEDULE C-1 (FEC Form 3X)**LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS**

Federal Election Commission, Washington, D.C. 20463

Supplementary for
Information found on
Page _____ of Schedule C

NAME OF COMMITTEE (in full)		FEC IDENTIFICATION NUMBER C	
LENDING INSTITUTION (LENDER) Full Name	Amount of Loan	Interest Rate (APR) _____ %	
Mailing Address	Date incurred or Established	MM	DD
City State Zip Code	Date Due	MM	DD
A. Has loan been restructured? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, date originally incurred		MM	DD
B. If line of credit, Amount of this Draw: _____		Total Outstanding Balance: _____	
C. Are other parties secondarily liable for the debt incurred? <input type="checkbox"/> No <input type="checkbox"/> Yes (Endorsers and guarantors must be reported on Schedule C.)			
D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, specify: _____		What is the value of this collateral? _____ Does the lender have a perfected security interest in it? <input type="checkbox"/> No <input type="checkbox"/> Yes	
E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, specify: _____		What is the estimated value? _____	
A depository account must be established pursuant to 11 CFR 100.7(b)(1)(i)(B) and 100.8(b)(12)(i)(B). Date account established: _____		Location of account: Address: _____ City, State, Zip: _____	
F. If neither of the types of collateral described above was pledged for this loan, or if the amount pledged does not equal or exceed the loan amount, state the basis upon which this loan was made and the basis on which it assures repayment.			
G. COMMITTEE TREASURER Typed Name _____ Signature _____		DATE MM / DD / YYYY	
H. Attach a signed copy of the loan agreement.			
I. TO BE SIGNED BY THE LENDING INSTITUTION: I. To the best of this institution's knowledge, the terms of the loan and other information regarding the extension of the loan are accurate as stated above. II. The loan was made on terms and conditions (including interest rate) no more favorable at the time than those imposed for similar extensions of credit to other borrowers of comparable credit worthiness. III. This institution is aware of the requirement that a loan must be made on a basis which assures repayment, and has complied with the requirements set for the at 11 CFR 100.7(b)(1) and 100.8(b)(12) in making this loan.			
AUTHORIZED REPRESENTATIVE Typed Name _____ Signature _____		DATE MM / DD / YYYY	
Title _____			

103, 03, 01, 04-12